

**BUDGET: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2017/2018**

Report of the Director: Financial Services: Mr H Schlebusch

**Department** Financial Services

**Section** Financial Services

**Proposed File Number** 5/1/1/21

**PURPOSE OF THE REPORT**

To submit to council the draft medium term revenue and expenditure framework 2017-2018 and to make recommendations on the budget related policies.

**FACTS AND BACKGROUND**

Section 24 of the Municipal Financial Management Act, 2003 (Act 56 of 2003) prescribes that the Municipal Council must at least 30 days before the start of the budget year consider the approval of the annual budget.

**The Documentation will be distributed as a separate document.**

**The revised policies will be distributed per e-mail only due to the cost implication to print all the documentation.**

**DISCUSSION**

An advertisement calling for public input and comments on the draft budget and other related documents was published in the local newspapers and also placed on the municipal website.

The closing date for comments and public input was 8 May 2017. No comments or any inputs were received from the public. Inputs were received in ward meetings. The Swellendam Municipal Advisory Forum met on 9 May 2017 where the draft budget has been discussed.

The budget and budget related policies are tabled for final approval by council. The approved budget must be made public in terms of Regulation 18 of the Municipal Budget and reporting Regulations, 2008. The approved tariffs, fees and charges relating to property rates, municipal services and miscellaneous matters must be made public in terms of section 75A (3) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and Section 14 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004).

The Mayor will discuss the item in Council

**LEGAL REQUIREMENTS**

Section 24 of the Municipal Financial Management Act, 2003 (Act 56 of 2003) and Regulation 18 of the Municipal Budget and reporting Regulations, 2008 and section 75A (3) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and Section 14 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004).

**FINANCIAL IMPLICATIONS**

As per the budget recommendations.

**PERSONNEL IMPLICATIONS**

As per the budget recommendations.

## **COMMUNICATION IMPLICATIONS**

The budget and tariffs, fees and charges relating municipal services and miscellaneous matters will be advertised locally and on the municipal website and the property rates tariffs and charges will be published on the provincial gazette and on the municipal website.

The budget related policies will not be distributed. The advertisement will also contain the list of budget related policies for scrutiny by the public. The budget related policies is open for inspection on the municipal website and can be made available to any member of the public.

## **RECOMMENDATION:**

That the Council approves and adopts the following resolutions:

1. The Council of Swellendam Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1 The annual budget of the municipality for the financial year 2017/18 and the multi-year and single-year capital appropriations as set out in the following tables:(version 2.8 refers to audited outcomes for 2013/14, 2014/15, 2015/16 financial years and budgeted information as well as forecast for 2016/17 financial year and version 6.1 refers to 2017/18, 2018/19 and 2019/20 financial years)
    - 1.1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Section 4 of the annual budget report Table A2 of the 2.8 and 6.1 version;
    - 1.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Section 4 of the annual budget report Table A3 of the 2.8 and 6.1 version;
    - 1.1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Section 4 of the annual budget report Table A4 of the 2.8 and 6.1 version; and
    - 1.1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Section 4 of the annual budget report Table A5 of the 2.8 and 6.1 version.
  - 1.2 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1 Budgeted Financial Position as contained in Section 4 of the annual budget report Table A6 of the 2.8 and 6.1 version;
    - 1.2.2 Budgeted Cash Flows as contained in Section 4 of the annual budget report Table A7 of the 2.8 and 6.1 version;
    - 1.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Section 4 of the annual budget report Table A8 of the 2.8 and 6.1 version
    - 1.2.4 Asset management as contained in Section 4 of the annual budget report Table A9 of the 2.8 and 6.1 version and
    - 1.2.5 Basic service delivery measurement as contained in Section 4 of the annual budget report Table A10 of the 2.8 and 6.1 version.
- 2 The Council of Swellendam, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with affect from 1 July 2017 the tariffs for property rates; electricity-; water-; sanitation-; solid waste services and other services charges as set out in Annexure A:

- 3 That the following policies be approved in principle for public scrutiny and comment and the public invited to scrutinise it on the website or at the various municipal buildings or libraries:
- (i) Rates Policy
  - (ii) Customer care, credit control and debt collection policy
  - (iii) Bad debt write-off policy
  - (iv) Irregular expenditure policy
  - (v) Tariff policy
  - (vi) Funding and Reserve policy
  - (vii) Budget policy
  - (viii) Banking, cash management and investment policy
  - (ix) SCM policy
  - (x) Preferential Procurement Policy
  - (xi) Asset Management Policy
  - (xii) Petty Cash Policy
  - (xiii) Indigent Policy
  - (xiv) Borrowing Policy
  - (xv) SCM Policy for Infrastructure Procurement.

**RESOLVED BY A MAJORITY**

**Item A82/30/05/2017**

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  - 1.1 The annual budget of the municipality for the financial year 2017/18 and the multi-year and single-year capital appropriations as set out in the following tables:(version 2.8 refers to audited outcomes for 2013/14, 2014/15, 2015/16 financial years and budgeted information as well as forecast for 2016/17 financial year and version 6.1 refers to 2017/18, 2018/19 and 2019/20 financial years)
    - 1.1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Section 4 of the annual budget report Table A2 of the 2.8 and 6.1 version;
    - 1.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Section 4 of the annual budget report Table A3 of the 2.8 and 6.1 version;
    - 1.1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Section 4 of the annual budget report Table A4 of the 2.8 and 6.1 version; and
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  - 1.2 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, management and basic service delivery targets are approved as set out in the following tables:
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    - 1.2.2 Budgeted Cash Flows as contained in Section 4 of the annual budget report Table A7 of the 2.8 and 6.1 version;
    - 1.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Section 4 of the annual budget report Table A8 of the 2.8 and 6.1 version
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- 2 The Council of Swellendam, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with affect from 1 July 2017 the tariffs for property rates; electricity-; water-; sanitation-; solid waste services and other services charges as set out in Annexure A:
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  - (i) Rates Policy
  - (ii) Customer care, credit control and debt collection policy
  - (iii) Bad debt write-off policy
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  - (vii) Budget policy
  - (viii) Banking, cash management and investment policy
  - (ix) SCM policy
  - (x) Preferential Procurement Policy
  - (xi) Asset Management Policy
  - (xii) Petty Cash Policy
  - (xiii) Indigent Policy
  - (xiv) Borrowing Policy
  - (xv) SCM Policy for Infrastructure Procurement.